

Corn had a little giddy up last week with price increases each day. That is old news however because this week was a week full of events and fundamental news that traders had to grapple with. Even at the start of the week the heavily traded December contract was able to finish above it 20 day moving average for each day (except Wednesday) leading up to the USDA report on Thursday. However corn came under pressure as soon as the report was released. World production jumped up to 26.095 billion bushels, up from last months 25.542 billion and last years number of 24.285 billion. World ending stocks were also up. Corn export news on Thursday gave a nice break from this bearish news with corn net sales including 318,000 tons for old crop and 458,000 tons for the new crop, taking the combined amount above the low end of guesses. This decent news was lost however in the mix of news from the USDA and went largely ignored. Corn is clearly at a crossroads here and there is equal chance of a drop as there is a rise. Last week was a sideways week for soybeans which, based on previous weeks, was a good week for beans. However beans were under pressure this week due to a lack of a weather concern and expectations for a decent negative report on Thursday. Perhaps this built up negativity explained the huge jump in prices when the USDA released its report. Production projections dropped from July’s figure of 2.94 billion to 2.877 billion. 2004-2005 ending stock projections were also cut from 210 million to 190 million. 2003 -2004 ending stock numbers provided a lot of interest. It was left unchanged at 105 million bushels despite the crush being increased by 15 million bushels and exports lowered by 10 million meaning it should have sent the number down to 100 million. According to DTN experts this number has never hit 100 million. Is the USDA hoping that people can’t add up and so prices won’t explode upwards? Probably not – but that did get the bulls attention and don’t be surprised if you see a bounce up later. Maybe it didn’t bounce today because soybean net sales for old crop were just 1,700 tons for old crop and 230,300 tons for new – whilst traders were looking for 500,000 tons. Still – it seems a lot of traders are considering a bullish outlook. Wheat tried to turn around last week and gave a decent effort bearing in mind we have had a two month meltdown in that pit. It was just horrible on Thursday when we saw more unwanted pressure form the USDA report. We saw an increased projection of U.S. and world production and ending stocks. Spring wheat (U.S.) is expected to jump from 544.5 million from the July projection of 501 million. Total wheat projection is put at 2.123 billion bushels. With the recent weakness in the futures, cash basis has really improved. That is obviously a small consolation for what has been a horrible few months.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Sep04)	NEW (Dec04)	CASH (Aug04)	NEW(Nov04)	CASH(Sep04)	NEW(Jul05)
Western MD	+70	n/a	-41	n/a	-2	n/a
Central MD	+47	+3	-62	-65	+12	n/a
Southern MD	+23	-8	-53	-58	-45	n/a
Upper E. Sh	+28	+8	-48	-58	-14	n/a
Lower E. Sh	+36	+13	-44	-47	-11	n/a

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

Maryland farmers could finally get into the fields this week with 4.6 **days suitable for field work** for the week ending August 8, 2004. Average air temperatures were in the mid 60’s with minimum temperatures reported in the low 50’s. Farmers were able to dry **hay** and resume harvesting a decent third cutting of hay. **Alfalfa hay** third cutting is 70 percent compared to 50 percent the previous week. **Corn** is 71 percent dough, 20 percent dent, and is in mostly good to excellent condition. **Soybeans** are 68 percent bloomed and 45 percent has set pods, while only 3 percent this time last year was setting pods. **Topsoil moisture** is 74 percent adequate and 26 percent surplus.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	Date	8/4	8/11	8/4	8/11	8/4	8/11	8/4
Western Md		2.85	2.88	6.30	6.46	3.05	2.98	2.22
Central MD		2.63	2.65	5.94	6.26	3.18	3.12	1.98
Southern MD		2.41	2.41	6.70	6.35	2.69	2.55	1.70
Upper E. Shore		2.46	2.46	6.75	6.40	2.98	2.86	1.80
Lower E. Shore		2.54	2.54	6.81	6.44	3.01	2.89	1.76

Soybean Meal		Lower Eastern Shore		Dealer’s Average Cash quotes (\$/ton)	
Date		8/4	8/11	Date	
48% Soybean Meal		214.00	223.00	44% Soybean Meal	
				202.00	
				211.00	

FORWARD CONTRACT PRICE-REGIONAL (\$/BU) for Harvest delivery Dealer’s Avg Quotes								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	Date	8/4	8/11	8/4	8/11	8/4	8/11	8/4
Western Md		----	----	----	----	----	----	----
Central MD		2.33	2.32	5.27	5.21	----	----	----
Southern MD		2.21	2.21	5.32	5.30	----	----	----
Upper E Shore		2.36	2.37	5.32	5.30	----	----	----
Lower E Shore		2.40	2.42	5.43	5.39	----	----	----

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Aug 11, 2002							
Corn		Soybeans		Wheat		Soybean Meal <sup>1</sup>	
Sep	220.75	Aug	637.00	Sep	304.75	Aug	188.30
Dec	232.00	Sep	561.50	Dec	319.50	Sep	181.00
Mr05	240.25	Nov	554.75	Mr05	331.50	Oct	171.10
May	246.00	Ja05	559.75	May	337.25	Dec	170.20
Jul	251.00	Mar	568.00	Jul	342.25	Ja05	171.80
Sep	253.25	May	575.00			Mar	175.50

<sup>1</sup> \$/ton

HAY AND STRAW							
New Holland, PA - \$/ton - Aug 09, 2004 - 44 Loads							
Alfalfa		Mixed		Timothy		Straw	
100.00-150.00		67.00-260.00		65.00-215.00		90.00-160.00	
Westminister, MD - \$/bale - Aug 10, 2004 - 108 Lots							
Alfalfa		Alfalfa Mix		Timothy		Timothy Mix	
1.60-4.60		2.00-4.70		2.80-4.50		1.60-4.30	
						Grass Mix	
						1.00-4.70	
						Straw	
						2.50-2.80	
POULTRY (Grade A) - Week Ending Aug 14, 2004							
		Current Week		Week Ago		Month Ago	
NY Wtd Avg. (Fryers)		70.87		71.41		82.79	
12 City Composite		75.97		78.08		83.44	
LAMBS - Westminster, MD - \$/cwt - Aug 10, 2004							
40- 50 lbs		85.00-112.50		Sheep			
60- 70 lbs		96.00-120.00		All Weights		42.00-82.50	
80- 90 lbs		92.50-115.00					
100-110 lbs		95.00-100.00					
120 lbs up		77.00- 96.00					
TERMINAL MARKETS HOGS - Aug 12, 2004				DIRECT MARKET HOGS - Westminster, MD - Aug 10, 2004			
Base Price Range (\$/cwt)		Carcass Basis		Sows (1-3)		Butcher Hogs	
a.m.		Base 185 lb Hog		300-449 lbs		215-260 lbs	
						55.25-57.00	
Iowa, Minn		68.00-77.69		30.32-56.32		Heavy up to	
Eastern Cornbelt		68.00-77.00		44.00-56.05		326 lbs	
						46.00-53.00	
						Sows	
						500-600 lbs	
						42.50-50.00	
						Millsboro, DE Market Hogs - (\$/cwt) -	
						Next Sale 8/17th	
FEEDER PIGS - (\$/cwt) -							
Gumboro, DE -				New Holland, PA - Aug 11, 2004			
Head:		Trend:		Head: 420		Trend: All slaughter	
		Next Sale 8/17th					
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Aug 11, 2004				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Aug 11, 2004			
Aug	84.47	Fb05	89.75	Aug	77.77	Fb05	61.57
Oct	87.30	Apr	87.27	Oct	67.02	Apr	60.35
Dec	89.10	Jun	82.55	Dec	63.25	May	61.60
STOCKER-FEEDER CATTLE - (\$/cwt)							
Winchester, VA - Aug 09, 2004				Westminister, MD - Aug 11, 2004			
Steers	300-400 lbs	117.00-139.00		Steers (M&L)	200-300 lbs	100.00-114.00	
	400-500 lbs	117.00-133.00			400-500 lbs	82.00-115.00	
	500-600 lbs	110.00-121.50			900 lbs	73.00- 80.00	
	600-700 lbs	105.50-119.00		Heifers (M&L)	200-300 lbs	85.00-111.00	
Heifers	300-400 lbs	119.00-129.75			400-500 lbs	81.00-105.00	
	400-500 lbs	107.00-124.00			600-700 lbs	63.00- 70.00	
	500-600 lbs	96.00-113.25			900 lbs	66.00- 69.00	
	600-700 lbs	109.00-113.00		Bull Calves Returning to farm			
	700-800 lbs	100.00-108.50			#1	80- 90 lbs	87.50-107.50
					95-100 lbs	97.50-132.50	
					105-110 lbs	92.50-140.00	
					115-120 lbs	117.50-137.50	
				Holstein Heifers	#1	335.00-395.00	
					#2	125.00-195.00	
				Beef Bulls & Heifers		135.00-145.00	
Lancaster, New Holland & Vintage - Week Ending - Aug 14, 2004							
Bull, Holstein		n/a		Plainer		n/a	
Heifers, Hols				Plainer			
SLAUGHTER CATTLE (\$/cwt)							
Westminister, MD - Aug 10, 2004							
Fed Steers				Fed Heifers			
H-Ch& Pr-H		84.00-87.75		H-Ch & Pr		83.25-87.75	
L-Ch		80.00-87.00		Select & L-Ch		77.25-82.25	
Select		76.50-79.50		Calves			
Cows				Cull & Slaughter		15.00- 65.00	
High Dressing		50.00-56.00					
Breakers		45.00-49.50					
Boners		38.00-44.00					
Thin & Slow		37.00-Down					
Lancaster, New Holland & Vintage - Week Ending - Aug 14, 2004							
Steers, Ch 2-3		1130-1495 lbs		81.75-83.85		\$1-\$2 Lower	
Cows, Breakers 75-80 pct lean				55.25-59.00		Steady - \$1.50 lower	
Bulls, YG 1		1025-1920 lbs		63.25-66.00		Lower Undertone	

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